

was engrafted, held taxable. Where franchises of a corporation are exempt from taxation, the gross receipts derived from the exercise of such franchises are also exempt. *State v. B. & O. R. R. Co.*, 48 Md. 80 (*cf.* concurring and dissenting opinions). And see *State v. Northern Central Ry.*, 40 Md. 169.

The act of 1872, ch. 234, taxing the gross receipts of certain corporations, held to be valid, since there was nothing to show that such tax was unequal or unjust or that it subjected the property of the appellee to taxation not equally borne by other property in the state. *State v. Northern Central Ry.*, 44 Md. 169 (*cf.* dissenting opinion). And see *State v. B. & O. R. R. Co.*, 48 Md. 80.

Under this article, it is the duty of the state tax commissioner in fixing the taxable value of shares of stock to pursue a method which results in the ascertainment of the actual value of such shares; how such value is to be determined—see notes to art. 81, sec. 15. *Schley v. Montgomery County*, 106 Md. 410.

Art. 81, sec. 15, taxing shares of stock in a Maryland corporation held and owned by a non-resident of this state, held not to violate this article—see notes to art. 81, sec. 15. *Corry v. Baltimore*, 96 Md. 320 (affirmed in 196 U. S. 466).

The state of Maryland may tax stocks, bonds, etc., issued by other states or by municipalities, owned by citizens or residents of Maryland, and which are exempt from taxation by the states or municipalities issuing them. Comity cannot sustain claims which are contrary to our Constitution. *Appeal Tax Court v. Patterson*, 50 Md. 372.

If the supreme court of the United States, in speaking of a banking franchise when bought, means when it says that "the price is paid for the use of the privilege whilst it lasts, and any tax upon it would substantially be an addition to the price," a special legislative charge upon the franchise, the principle is correct; if, however, it meant a special tax, technically speaking, for the support of the state of Maryland, it would be void under this article. Under this article, it cannot be presumed that a franchise, if the subject of taxation, may by its excessive exercise be destroyed or rendered valueless. *Baltimore v. B. & O. R. R. Co.*, 6 Gill, 291.

Equality of taxation. Exemptions.

This article prohibits the discrimination between the liability of Baltimore city stock and like securities to taxation when held by a private person and when held by a corporation; the equality of taxation cannot be destroyed—see notes to art. 81, sec. 15. *Schley v. Lee*, 106 Md. 402.

Ch. 234, 1884, providing that corporate bonds bearing interest secured by mortgage upon property in this state are taxable in the hands of resident holders, while similar mortgages and mortgage debts made by individuals, building association mortgages and non-interest-bearing corporate bonds were exempt from taxation, held not to violate this article. *Simpson v. Hopkins*, 82 Md. 488.

The legislature may create separate taxing districts, provided the rate is equal and uniform as to all property within the district. The act of 1906, ch. 794, providing for the taxation of mortgages in certain counties held not to violate this article. *Miller v. Wicomico County*, 107 Md. 441.

The act of 1910, ch. 382, denying the authorities of Chevy Chase the power to tax property in a certain district and giving power to the county commissioners to tax up to a fixed rate, provided they were requested to do so by fifteen or more resident tax payers of the district, is void under this article; a taxing district implies a district which cannot escape the payment of some legally imposed tax. *Curtis v. Mactier*, 115 Md. 395.

Sec. 19 of the act of 1888, ch. 98 (annexing certain portions of Baltimore county to Baltimore city), which provided that until the year 1900 the rate of taxation for city purposes within the annexed districts should not exceed the existing rate in Baltimore county, held not to violate this article. The principle of equality in taxation is gratified by making local taxation equal and uniform as to all property in the taxing district. The legislature may exempt from taxation such property as in its judgment a sound policy requires. The legislature may either levy taxes itself for local purposes or it may delegate this power to local authorities, but it cannot delegate a power prohibited to it by the Constitution. *Daly v. Morgan*, 69 Md. 466 (*cf.* dissenting opinion). *Cf.* *Curtis v. Mactier*, 115 Md. 395.

The act of 1892, ch. 285, providing that every piece of land and the improvements within the town of Hyattsville should be assessed, etc., held to violate this article by reason of its exemption of personal property from taxation; said act cannot be upheld as imposing a tax "with a political view"; the last clause of this article is not a qualification of the antecedent clause, but an enlargement of the power to tax; the two clauses are not alternative but cumulative. Taxes for municipal purposes are imposed for the support of the government, and are subject to this article. The power to exempt from taxation is not derived from the last clause of this article. History and theory of this article. *Wells v. Hyattsville*, 77 Md. 137; *Jones v. Broening*, 135 Md. 242.

Baltimore city has not been given expressly the power to exempt from taxation for municipal purposes all merchandise held for sale and to partially exempt buildings. Whatever new powers of taxation are given the city by this article, as amended,